

Senate Bill 144

By: Senators Shafer of the 48th, Hudgens of the 47th, Hill of the 32nd and Moody of the 56th

AS PASSED

AN ACT

To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to repeal the requirement that an applicant for an insurance agent's license shall be appointed an agent by an authorized insurer prior to issuance of the license; to prohibit a licensed managing general agent from charging a fully earned policy fee in connection with the issuance of an insurance policy unless such fee is part of the insurer's rate filing; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by revising subsection (a) of Code Section 33-23-5, relating to qualifications and requirements for license, as follows:

"(a) For the protection of the people of this state, the Commissioner shall not issue, continue, or permit to exist any license, except in compliance with this chapter and except as provided in Code Sections 33-23-3, 33-23-4, 33-23-12, 33-23-13, 33-23-14, 33-23-16, 33-23-17, 33-23-29, 33-23-29.1, and 33-23-37. The Commissioner shall not issue a license to any individual applicant for a license who does not meet or conform to qualifications or requirements set forth in paragraphs (1) through (7) of this subsection:

(1) The individual applicant shall be a resident of this state who shall reside and be present within this state for at least six months of every year or an individual whose principal place of business is within this state; provided, however, that in cities, towns, or trade areas, either unincorporated or composed of two or more incorporated cities or towns, located partly within and partly outside this state, requirements as to residence and principal place of business shall be deemed met if the residence or place of business is located in any part of the city, town, or trade area and if the other state in which the city, town, or trade area is located in part has established like requirements as to residence and

place of business. The individual applying for an agent, adjuster, or counselor license shall be at least 18 years of age;

(2) If applying for an agent's license for property and casualty insurance, the applicant shall not use or intend to use such license for the purpose of obtaining a rebate or commission upon controlled business; and the applicant shall not in any calendar year effect controlled business that will aggregate as much as 25 percent of the volume of insurance effected by such applicant during such year, as measured by the comparative amounts of premiums;

(3) The individual applicant shall be of good character;

(4) The individual applicant shall pass any written examination required for the license by this article, provided that:

(A) An individual who applies for an insurance agent's license in this state who was previously licensed for the same lines of authority in another state shall not be required to complete any prelicensing education or examination. This exemption shall only be available if the individual is currently licensed in that state or if the application is received within 90 days of the cancellation of the applicant's previous license and if the prior state issues a certification that, at the time of cancellation, the applicant was in good standing in that state or the state's producer data base records maintained by the National Association of Insurance Commissioners, its affiliates, or subsidiaries indicate that the agent is or was licensed in good standing for the line of authority requested; and

(B) An individual licensed as an insurance agent in another state who moves to this state shall make application within 90 days of establishing legal residence to become a resident licensee pursuant to Code Section 33-23-8. No prelicensing education or examination shall be required of that individual to obtain a license for any line of authority previously held in the prior state except where the Commissioner determines otherwise by rule or regulation;

(5) If applying for a license as counselor, the applicant shall show that he or she either has had five years' experience as an agent, subagent, or adjuster or in some other phase of the insurance business or has sufficient teaching or educational qualifications or experience which, in the opinion of the Commissioner, has qualified the applicant to act as such counselor; and the applicant shall pass such examination as shall be required by the Commissioner unless such applicant is exempted by the Commissioner, based on the applicant's experience and qualifications and pursuant to a regulation adopted by the Commissioner;

- (6) If applying for an agent's license, limited subagent's license, or adjuster's license, no applicant shall be qualified therefor or be so licensed unless he or she has successfully completed classroom courses in insurance satisfactory to the Commissioner at a school which has been approved by the Commissioner; and
- (7) The Commissioner shall by rule or regulation establish criteria and procedures for the scope of prelicensing requirements and exemptions, if any, to the prelicensing or examination requirements."

SECTION 2.

Said title is further amended by revising subsection (b) of Code Section 33-23-5.1, relating to conviction data, as follows:

"(b) With respect to the requirements of paragraph (3) of subsection (a) of Code Section 33-23-5, the Commissioner shall be authorized to obtain conviction data with respect to an applicant as authorized in this Code section. The Commissioner shall submit to the Georgia Crime Information Center two complete sets of fingerprints of the applicant for appointment or employment, the required records search fees, and such other information as may be required. Upon receipt of such material, the Georgia Crime Information Center shall promptly forward one set of fingerprints to the Federal Bureau of Investigation for a search of bureau records and the preparation of an appropriate report concerning such records search and shall retain the other set and promptly conduct a search of its own records and all records to which the center has access. The Georgia Crime Information Center shall notify the Commissioner in writing of any derogatory finding, including, but not limited to, any conviction data regarding the fingerprint records check or if there is no such finding. All conviction data received by the Commissioner shall not be a public record, shall be privileged, and shall not be disclosed to any other person or agency except as provided in this Code section and except to any person or agency that otherwise has a legal right to inspect the employment file. All such records shall be maintained by the Commissioner pursuant to the laws regarding such records and the rules and regulations of the Federal Bureau of Investigation and the Georgia Crime Information Center, as applicable."

SECTION 3.

Said title is further amended in Chapter 47, relating to managing general agents, by adding a new Code section to read as follows:

"33-47-4.1.

No licensed managing general agent may charge a fully earned policy fee in connection with the issuance of an insurance policy unless such fee shall be a component of the insurer's rate filing. No fully earned policy fee may exceed \$25.00."

SECTION 4.

All laws and parts of laws in conflict with this Act are repealed.